

§ 58-57-15. Amount.

(a) Credit Life Insurance. –

- (1) The amount of credit life insurance shall not exceed the amount of unpaid indebtedness as it exists from time to time, less any unearned interest or finance charges; provided, however, that if the amount of credit insurance is based on a predetermined schedule, the amount of credit insurance shall not exceed the scheduled amount of unpaid indebtedness, less any unearned interest or finance charges, plus an amount equal to three monthly installments or the equivalent thereof.
- (2) Notwithstanding the provisions of the above subdivision, insurance on seasonal credit line commitments (such as may be found in agricultural credit transactions) not exceeding one year in duration may be written up to the amount of the loan commitment on a nondecreasing or level term plan.
- (3) Notwithstanding this or any other section, insurance on education credit transaction commitments may be written for the amount of such commitment.

(b) Credit Accident and Health and Credit Unemployment Insurance. – The total amount of indemnity payable by credit accident and health or credit unemployment insurance in the event of disability or unemployment, as defined in the policy, shall not exceed the indebtedness; and the amount of each monthly benefit shall not exceed the indebtedness divided by the number of months in the term of the loan. A daily benefit equal in amount to one thirtieth of the scheduled monthly payment is permissible. For open-end credit transactions, the total amount of indemnity payable shall not exceed the amount of unpaid indebtedness at the time disability or unemployment begins, including interest and insurance charges that would accrue on that indebtedness using the creditor's minimum payment schedule. The periodic indemnity may exceed the creditor's minimum payment amount. (1975, c. 660, s. 1; 1981, c. 759, s. 1; 1993, c. 226, s. 3; c. 553, s. 75.)